

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**HB 2193 – SB 3241**

March 6, 2012

**SUMMARY OF AMENDMENT (013098):** Deletes Section One of the original bill. Adds discharge of an employee from the most recent job due to willful failure to obtain a license or certification by a specified date pursuant to a written agreement with the employer to the list of events considered “misconduct” that disqualify a claimant from unemployment insurance eligibility.

**FISCAL IMPACT OF ORIGINAL BILL:**

Other Fiscal Impact – According to the Department of Labor and Workforce Development, this bill does not conform to federal law; therefore, there will be no fiscal impact.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Decrease State Expenditures –**

**\$21,202,900/Unemployment Insurance Trust Fund**

**Assumptions applied to amendment:**

- According to the Department of Labor and Workforce Development (DLWD), this amendment brings the bill into conformity with federal law.
- According to DLWD, approximately 576,660 workers in Tennessee require licensing. The licensing failure rate in Tennessee is estimated to be 12.38 percent. As a result, 71,391 individuals will not be licensed.
- Based on information provided by DLWD, an average of 7.8 percent of licensure failures (or 5,568) will result in disqualification for failure to acquire a license.
- The average weekly benefit amount is \$224. The average duration of unemployment benefits is 17 weeks.
- A total recurring decrease in state expenditures from the Unemployment Insurance Trust Fund of \$21,202,944 (5,568 x \$224 x 17 weeks).

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**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise" with a stylized flourish at the end.

Lucian D. Geise, Executive Director

/jaw